LAND BOARD AGENDA
TONGUE RIVER RANCH

At the November Board meeting the Land Board authorized the Department to move forward with the purchase of the Tongue River Ranch subject to four contingencies. Following is a listing of those contingencies and the status of where the Department and Landers are in resolving associated issues.

- Clarification of Legal Access:

    Status: The Moon Creek and Moon Creek Divide roads access this property. The access to the property must be legal, all lawful purpose public access and insurable by the title company. The road may be declared public by the County or the land owner would negotiate access from adjacent landowners.

- Purchase Price: The purchase price to be paid for the property by the State shall be no greater than the appraised value. Private funds may be obtained for the difference between the appraised value and the purchase price of Five Million Dollars ($5,000,000).

    Status: The appraised value of the property is $4,800,000. The Department has established a partner to secure the difference between the appraised value and the purchase price.

- Environmental Remediation: Because evidence of potential site contamination is present upon the property, the State agreed to conduct a Phase II environmental review of the dumps, stained soils, and barrels of materials present upon the property. An environmental investigation and a report of the findings was to be completed by the Department on or before December 18, 2006.

    Status: A Phase II environment review was completed. The soils under the dumps and barrels were not contaminated. No further investigation is needed.

- Extension of time from November 20, 2006 to December 18, 2006 that the earnest money remains in escrow.

    Status: The earnest money will remain in escrow in the State's name until such time that the access issues are resolved.

The Director requests that the Land Board give final approval of the purchase of The Tongue River Ranch pending resolution of the access contingency.